



RESIDENTIAL COMMUNITIES INITIATIVE (RCI)

RCI PROGRAM UPDATE

RCI Program Office

**Office of the Assistant Secretary of the Army for
Installations & Environment
Headquarters, Department of the Army**

February 2004



RESIDENTIAL COMMUNITIES INITIATIVE *Assistant Secretary of the Army (Installations and Environment)*



RCI PROGRAM FOCUS

VISION

- **Quality Residential Communities**

GOALS

- **Eliminate inadequate Army Family Housing in the**
- **Eliminate the deficit**

OBJECTIVES

- **Sustain adequate housing**
- **Leverage assets / funds**
- **Attract quality partners**
- **Obtain partner expertise / innovation / capital**
- **Ensure reasonable profits / incentive based fees**
- **Maximize use of local (large / small) businesses**
- **Protect interests with Portfolio / Asset Management Program**





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RCI PLAN -- 34 INSTALLATIONS (26 PROJECTS)

70,770 Existing Family Housing Units; 73,731 Units Projected at End State

>80% of U.S. Owned Inventory

9 Projects Transferred (33,560 Houses)

- Fort Carson, CO - 1999
- Fort Hood, TX - 2001
- Fort Lewis, WA - 2002
- Fort Meade, MD - 2002
- Fort Bragg, NC - 2003
- Pres of Monterey-Naval PS, CA - Oct 2003
- Fort Stewart-Hunter AAF, GA - Nov 2003
- Fort Campbell, KY
- Fort Belvoir, VA -

2003 Solicitations (4,757 Houses)

- Fort Sam Houston, TX
- Fort Monmouth / Picatinny Arsenal, NJ-Carlisle Barracks, PA
- Fort Bliss, TX

8 Projects Awarded -- Transfer Date (20,547 Houses)

- Fort Irwin-Moffett Fed AF-Cp Parks, CA - Mar 2004
- Fort Hamilton, NY - May 2004
- Fort Polk, LA - Jul 2004
- Walter Reed AMC, DC / Fort Detrick, MD - Aug 2004
- Fort Shafter / Schofield Barracks, HI - Oct 2004
- Forts Eustis-Story, VA - Nov 2004
- Fort Leonard Wood, MO
- Fort Drum, NY

2004 Solicitations (11,906 Houses)

- Fort Benning, GA
- Fort Knox, KY
- Fort Rucker, AL
- Fort Leavenworth, KS
- Fort Gordon, GA
- Redstone Arsenal, AL

1st 17 Projects: \$380M Govt Investment → \$7B in Private Initial Development



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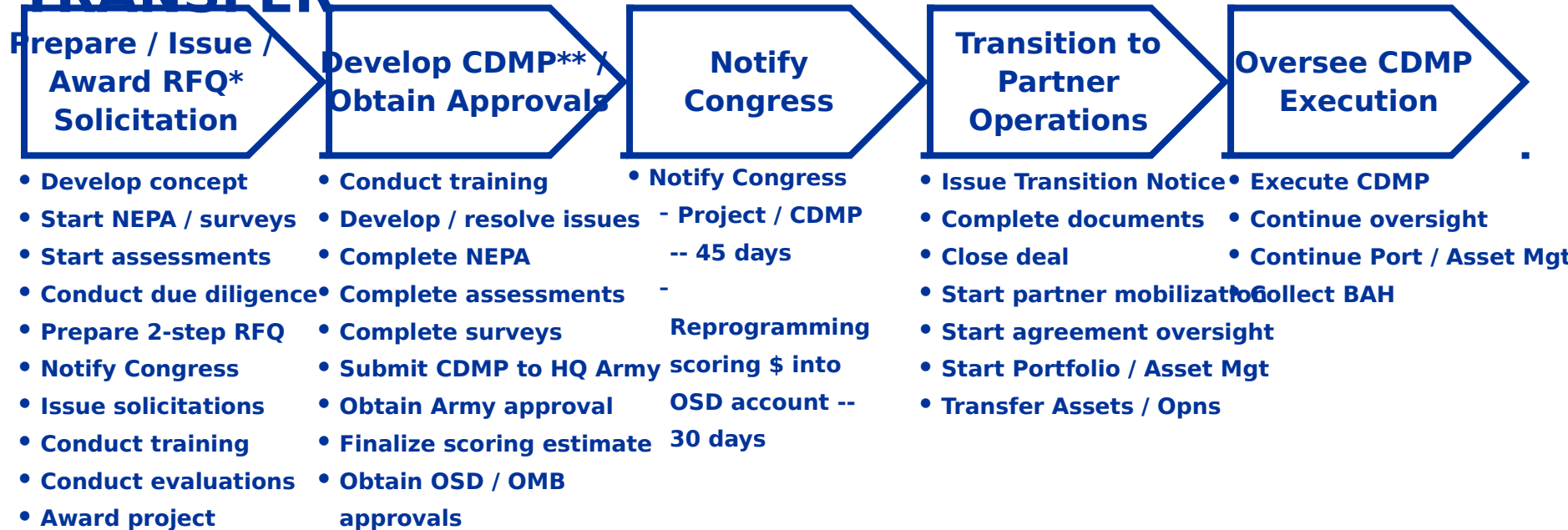
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RCI PROCESS

PROJECT CONCEPT TO

TRANSFER



* Request for Qualifications (RFQ)

** Community Development and Management Plan (CDMP)

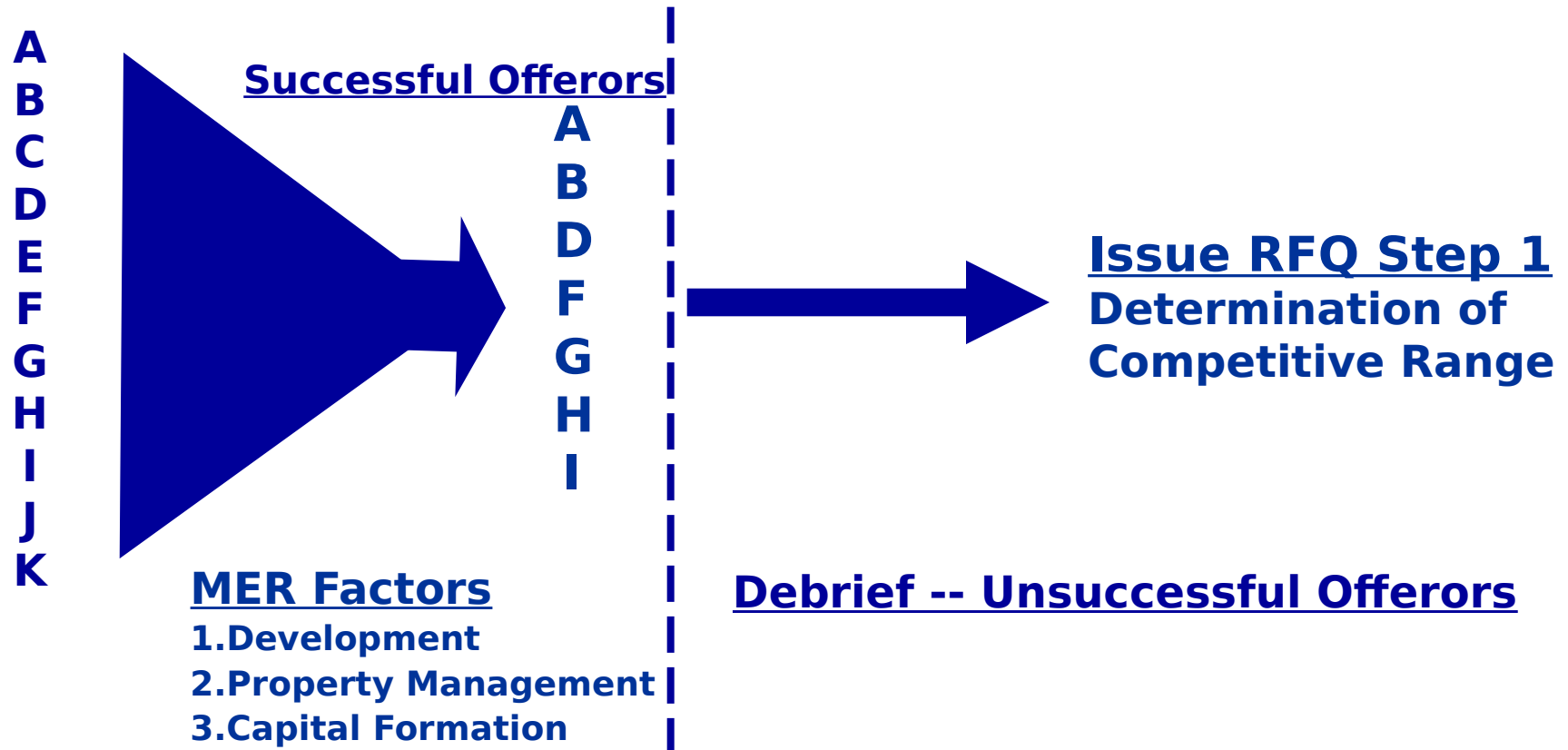


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RCI PROCESS

STREAMLINED PROCUREMENT (INITIAL SCREEN) Minimum Experience Requirements (MER) Evaluation





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RCI PROCESS -- STREAMLINED PROCUREMENT

Is a Project Competitive Same for a Group that has Multiple Projects

(MER)

A
B
D
F
G
H
I

**Step 1
Evaluation
Factors (5)**

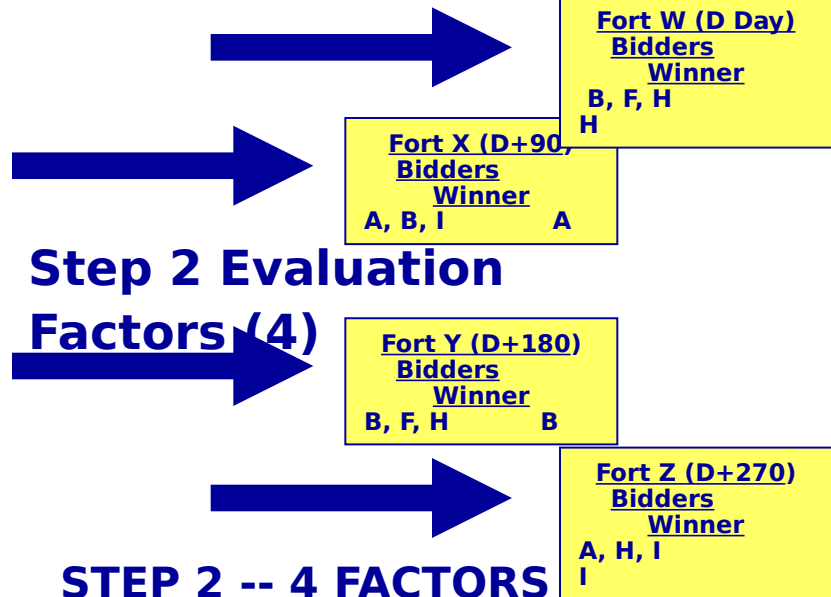
STEP 1 -- 5 FACTORS

- 1 -- Experience
- 2 -- Financial Capability
- 3 -- Organizational Capability (Corporate)
- 4 -- Past Performance
- 5 -- Small Business (Past Use)

Bidders Who Make
Competitive Range

A
B
F
H
I

Select a Bidder from Range Who Bid on Group Projects (4-Project Group Example)



**Step 2 Evaluation
Factors (4)**

STEP 2 -- 4 FACTORS

- 1 -- Preliminary Concept
- 2 -- Financial Return
- 3 -- Organizational Capability (Installation)
- 4 -- Small Business (Proposed Use)



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10 INSTALLATIONS (9 PROJECTS) TRANSFERRED

Project / Inventory

Status

Govt Invest / Initial Scope / Period

FT CARSON	/ 2,663	TRANSFERRED TO PARTNER	
NOV 1999			
\$10.1M / \$229M	/ 5 years	- Out of 840 deficit, 840 built	
		- >1,200 renovations completed	
FT HOOD	/ 5,912	TRANSFERRED TO PARTNER	OCT 2001
\$52.0M / \$266M	/ 5 Years	- Out of 290 deficit, 192 built / 98 ongoing	
		- 274 replac ongoing / 224 renov completed	
FT LEWIS	/ 4,001	TRANSFERRED TO PARTNER	APR 2002
\$0 / \$321M	/ 10 years	- Out of 345 deficit, >190 built	
		- >260 redevelopments ongoing	
FT MEADE	/ 3,170	TRANSFERRED TO PARTNER	MAY 2002
\$0 / \$460M	/ 10 years	- Out of 308 deficit, 126 ongoing	
		- 925 upgrades completed	
FT BRAGG	/ 5,578	TRANSFERRED TO PARTNER	AUG 2003
\$49.4M / \$447M	/ 10 years		
POM / NPS	/ 2,209	TRANSFERRED TO PARTNER	OCT 2003
\$0 / \$588M	/ 8 years		
FT STEWART-HUNT	/ 3,702	TRANSFERRED TO PARTNER	NOV 2003
\$37.4M / \$357M	/ 8 years		
FT CAMPBELL	/ 4,255	TRANSFERRED TO PARTNER	DEC 2003
\$52.2M / \$243M	/ 9 years		
FT BELVOIR	/ 2,070	TRANSFERRED TO PARTNER	
DEC 2003			
\$0 / \$688M	/ 8 years		



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13 MORE INSTALLATIONS (8 PROJS) AWARDED

Project / Inventory

Status

Govt Invest / Initial Scope and Period

FT IRWIN-MOFFETT-PKS	/ 3,052+200 UPH	PARTNER SELECTED	SEP
2002			
\$0	/ \$489M / 10 years	Transfer assets / operations to partner	Mar 2004
FT EUSTIS-STORY	/ 1,124	PARTNER SELECTED	JAN 2003
\$14.8M / \$132M	/ 5 years	Transfer assets / operations to partner	Nov 2004
FT HAMILTON	/ 228	PARTNER SELECTED	APR 2003
\$2.2	/ \$59M / 4 years	Transfer assets / operations to partner	May 2004
FT POLK	/ 3,641	PARTNER SELECTED	APR 2003
\$64M	/ \$382M / 10 years	Transfer assets / operations to partner	Jul 2004
WALTER R. / DETRICK/ 394		PARTNER SELECTED	JUL 2003
\$1.2M	/ \$71M / 3-5 years	Transfer assets / operations to partner	Aug 2004
FT SHAFTER-SCHOFLD	/ 7,364	PARTNER SELECTED	AUG
2003			
\$0	/ \$1,700M / 10 years	Transfer assets / operations to partner	Oct 2004
FT LEONARD WOOD	/ 2,472	PARTNER SELECTED	NOV 2003
\$45M	/ \$259M / 6 years	Transfer assets / operations to partner	Dec 2004
FT DRUM	/ 2,272	PARTNER SELECTED	DEC 2003

1st 17 Projects: \$380M Govt Investment Provides \$7B in Private Initial Development



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BUSINESS OPPORTUNITIES

DEVELOPER / LOCAL BUSINESS PARTICIPATION

- **Predictable revenue stream from Basic Allowance for Housing**
- **High demand for on-post housing; low-cost land / infrastructure**
- **Alignment of the developer's and Government's goals**
- **Availability of financial / other privatization authorities**
- **Flexible project that holds assurances for developer / Government**
- **Big increase in work, supplies and materials for local businesses; RCI Partners are:**
 - **Partnering with local communities and large / small businesses**
 - **Subcontracting 60%-70% of work, supplies and materials locally**



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BUSINESS OPPORTUNITIES

LOCAL (LARGE AND SMALL) BUSINESS PARTICIPATION

Project Planning

- Land Development**
- Building Surveys**
- Environmental Assessments**
- Professional Planning and Design Services**

Project

- Implementation**
- Construction**
- Property Management**
- Land Surveys**
- Building Surveys**
- Building / Infrastructure Maintenance**

Involvement in 50-year, multi-\$B project:

- Construction Trades**
- Material Suppliers**
- Information Technology**
- Advertising / Promotion**
- Service Providers**
- Landscaping**
- Legal**
- Asset Management**



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BUSINESS OPPORTUNITIES -- OUR

PARTNERS

Fort Carson, CO

GMH Military Housing, LLC

Rick Taylor, 10 Campus Boulevard

Newtown Square, PA 19073

Phone: 610.355.8000, Fax: 610.356.9164

Website: www.gmhmilitaryhousing.com

Fort Lewis, WA

EQR Residential, Mike Bissell (EQR)

P.O. Box 443, Dupont, WA 98327

Phone: 253.966.8264, Fax: 253.966.8209

Email: mbissell@eqrworld.com

Website: www.eqr.com

Fort Bragg, NC

Picerne Real Estate Group, Vic Cohut

P.O. Box 71929, Ft. Bragg, NC 28307

Phone: 910.764.4518, Email:

vcohut@picernerri.com

Website: www.picerne.com

Fort Hood, TX

Actus Lend Lease (ALL), Ed Viega

1001 761st Tank Battalion Ave. Rm

6101

Killen, TX 76544

Phone: 254.533.0481, Fax:

254.533.0490

Email: ed.viega@actuslendlease.com

Website: www.lendleaseactus.com

Fort Meade, MD

Picerne Real Estate Group

Charles Debelius, 4463 Leonard Wood

Ave

Fort Meade, MD 20755

Phone: 410.672.4570, Fax:

410.672.8013

Email: cdebelius@picernerri.com

Website: www.picerne.com



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BUSINESS OPPORTUNITIES -- OUR PARTNERS

Pres of Monterey / Naval PS, CA

Clark Pinnacle Family Communities, LLC
Francis J. Coen, 2 Bethesda Metro Center
Bethesda, MD 20814, Phone: 240.497.6736
Email: Fcoen@clarkrealty.com
Website: www.clarkrealty.com

Fort Campbell, KY

Actus Lend Lease (ALL), Tom Skrodzki
287 Stone Crossing Dr, Clarksville, TN 37042
Phone: 931.906.7070, Fax: 931.906.1923
Website: www.lendleaseactus.com

Fort Irwin / Moffett / Parks RFTA, CA

Clark Pinnacle Family Communities, LLC
Christopher Guidi, 2 Bethesda Metro Center
Bethesda, MD 20814, Phone: 240.497.6738
Email: CGuid@clarkrealty.com, Website:
www.clarkrealty.com

Fort Stewart / Hunter AAF,

GMH Military Housing, LLC
(Same as Fort Carson)

Fort Belvoir, VA RCI Project

Clark Pinnacle Family Comm, LLC
(Same as Fort Irwin)

Forts Eustis / Story, VA

GMH Military Housing, LLC
(Same as Forts Carson / Stewart)

Fort Hamilton, NY

GMH Military Housing, LLC
(Same as Forts Carson / Stewart /
Eustis / Story)



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BUSINESS OPPORTUNITIES -- OUR PARTNERS

Fort Polk, LA

Picerne Real Estate Group, Mike DeLarosa

75 Lambert Lind Hwy, Warwick, RI 02886

Phone: 401.732.3700, Fax: 401-732-6452

Email: mdelarosa@picernerri.com

Website: www.picerne.com

Hawaii RCI Project

Actus Lend Lease, LLC

455 Devlin Road, P.O. Box 3570

Napa, California 94558-0556

Phone: 707-252-7511

Fax: 707-252-8512

Website: www.actuslendlease.com

Fort Drum, NY

Walter R. AMC, DC / Ft Detrick, MD

GMH Military Housing, LLC

(Same as Forts Carson / Stewart / Eustis / Story / Hamilton)

Fort Leonard Wood, MO

American Eagle Communities Midwest, LLC

Ms. Kathryn G. Thompson, Managing Dir

10455 N. Central Expressway Suite 109-332 ;

Dallas, TX 75231

Tel 972-272-3676

Fax 972-272-3677



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ASSESSMENT OF RCI TO DATE

- **Fixes family housing in U.S.**
- **Obtains private expertise / capital to solve housing problems**
- **Shifts focus from "Houses" to "Quality Residential Communities"**
- **Streamlines procurement process**
- **Shows positive results at 1st 23 installations (17 projects)**
- **Assures long-term sustainment of adequate housing**
- **Allows for more local (large and small) business participation**
- **Increases well-being of ~71,000 Soldiers and their families**
- **Protects our interests with a Portfolio / Asset Management Program**



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OUR MILITARY

PROTECTING THE AMERICAN DREAM

RCI ALLOWS THE MILITARY FAMILY TO LIVE THAT DREAM



Visit Our Web Site at <http://rci.army.mil>